



United States
Department of
Agriculture

SUBJECT: Advances Payments under the Market Access Program (MAP)

AUG 19 2005

TO: MAP Participants

POLICY: This notice is to clarify the rule governing advance payments to MAP participants for generic promotion activities (7 CFR 1485.18(b)).

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The MAP generally operates on a reimbursable basis. However, a MAP participant may request advance payment(s) so long as the cumulative outstanding advanced amount does not exceed 40 percent of the participant's approved generic budget at any given time. Once an advance (or any portion thereof) is repaid, either through offsetting reimbursement claim(s) or submitting a check payable to the Commodity Credit Corporation (CCC), the participant may request additional advances against the remaining balance, not to exceed the 40 percent limit.

Ex: On June 4, Participant X requests an advance of \$20,000 against a \$50,000 generic budget (40% maximum). On July 28, Participant X submits a reimbursement claim offsetting \$15,000 of the \$20,000 advance. Participant X may request additional advance payments up to \$15,000 since \$5,000 is still outstanding.

Advance requests are for the current funding year. Advances should be limited to the minimum amounts needed and requested as close as is administratively feasible to the actual time of expenditure by the MAP participant.

MAP participants must deposit and maintain advances in insured, interest-bearing accounts, unless such accounts are prohibited by law or custom of a host country.

MAP participants are required to fully expend all advances within 90 calendar days of receipt. By the end of the 90th calendar day, the MAP participant must:

- 1) submit reimbursement claims to offset the full amount of the advance;
- 2) submit a check made payable to CCC for any unexpended balance; or
- 3) a combination thereof; and
- 4) return all interest earned by submitting a check made payable to CCC.*

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